



New York Evanston London San Francisco

B. Brooks Thomas
Vice President &
General Counsel

10 East 53d Street, New York, New York 10022

August 4, 1972

Lawrence R. Houston, Esq.
General Counsel
Central Intelligence Agency
Washington, D. C. 20505

Dear Mr. Houston:

Thank you for your letter of July 28, 1972 together with its enclosures.

Together with the author, we have now completed a thorough review of the comments made in your letter and in the enclosures, checking them against Mr. McCoy's manuscript and notes. Based upon this careful review, it is our sincere opinion that Mr. McCoy's scholarship remains unshaken and we do not see any reason for making any changes in the text. I am appending hereto a list of the points made in your memorandum to us, together with an explanation of our reasons for believing in each case that no change is either necessary or appropriate.

As you correctly point out in your letter, Mr. McCoy's theme is that the CIA's role in the heroin traffic has been principally inadvertent and a consequence of other tactics which it has pursued. I believe that this theme is amply documented throughout the book and that it constitutes an eminently reasonable assessment of the effect of the Agency's activities in this area. We regret, as you do, the fact that some writers have mis-characterized the allegations which Mr. McCoy makes in the book. With this fact in mind, we believe that the best service we can render the author, the CIA and the general public is to publish the book as expeditiously as possible, and that is what we intend to do.

I would like to take this opportunity to thank you for your courtesy to us and for honoring the conditions which we imposed when we sent you the manuscript.

Sincerely,

BBT:jc

OGC Distribution of 4 August 1972 letter from Mr. B. Brooks Thomas

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APPENDIX TO LETTER OF AUGUST 4, 1972
TO LAWRENCE R. HOUSTON, ESQ.

Your Comment

Our Response

AIR AMERICA

1. Statement of Paul Velte June 2, 1972 labelling McCoy allegations relating to Air America "utterly and absolutely false."

2. You state that Gen. Ouane Rattikone has recently denied that Air America was in any way involved in transporting opium.

1. Mr. Velte's statement refers to Mr. McCoy's testimony before the Senate Foreign Operations Committee. The statement referred to does not appear in the book. Mr. McCoy believes that Mr. Velte's statement may well be accurate as of the date it was made. He does not believe that it accurately reflects conditions in the period 1965-1967 to which the passage which does appear on page 278 of the book refers.

2. Mr. McCoy interviewed Gen. Rattikone in Vientiane on September 1, 1971. We have seen his notes, and are satisfied that he accurately transcribed what was related to him on that occasion. Support for this allegation is also derived from Mr. McCoy's interview with Gen. Thao Ma in Bangkok on September 17, 1971. We note also that Mr. McCoy's allegation has recently been confirmed by Nelson Gross (whose earlier testimony is relied upon in your letter of July 5, 1972) in an interview with a staff correspondent of the Christian Science Monitor reported on July 27, 1972. In that interview Mr. Gross stated, inter alia, as follows:

"Sure, Air America was probably used as a vehicle for some transit, just as all commercial and military aircraft probably were, until the fall of 1970 when we really became aware of the narcotics problem in the area."

Your Comment

Our Response

VANG PAO

1. You state that the BNDD has no credible evidence implicating Vang Pao in the narcotics traffic, contrary to the statements made on pp. 244 and 248-9 of the text.

2. You state that Ger Su Yang's testimony on page 289 is not credible because the Long Pot Sector has traditionally refused to accept Vang Pao's leadership and has maintained friendly relationships with the Pathet Lao.

3. You state that Gen. Ouane Rattikone has recently been questioned and is adamant in asserting that Vang Pao has not been involved in the drug traffic.

1. The source of Mr. McCoy's statements is an interview he had in New Haven, Connecticut on November 18, 1971 with a present employee of the BNDD, who stated that BNDD had received a report implicating Vang Pao. Because of the circumstances under which the interview was given, Mr. McCoy refuses to disclose the name of the employee involved, but we have satisfied ourselves that such an interview took place and that the statements referred to were in fact made.

2. The description of the system by which Meo mercenaries purchase opium from villagers in the Long Pot area is based not only on the interviews with Ger Su Yang described on page 289, but also on interviews with the Headmen of Nam Suk Village and Nam Ou Village, both of which were conducted on August 21, 1971. We believe that their credibility is a highly subjective matter which is best evaluated by the interviewer in a face-to-face meeting.

3. Mr. McCoy does not rely primarily on Gen. Rattikone in connection with the assertions made about Vang Pao's involvement with the drug traffic. In any event, it would not be at all surprising if Gen. Rattikone's assertions to a representative of your Agency are markedly different from the information he gave to Mr. McCoy.

PARAMILITARY ACTIVITIES AND HEROIN REFINERIES

1. You state that the CIA has identified and dismantled a heroin refinery operated by Chao La and that this contradicts Mr. McCoy's assertion that Chao La received political protection for his refineries.

1. While in this area, the author was told by retired CIA personnel, local CIA mercenaries, Baptist missionaries, and hill tribesmen that a heroin refinery operated near Ban Nam Keung from 1965-1971. The author believes that this is the refinery which was confiscated by the CIA last year and which is referred to at p. 346 of the text. The same sources

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Your Comment

Our Response

Paramilitary Activities, etc. con't.

informed the author that another refinery operated near Ban Houei Tap in 1970-1971. Both refineries were located in areas where there was American influence.

GER SU YANG

1. You state that an officer of the Agency interviewed Ger Su Yang, who admitted talking to Mr. McCoy but denied having discussed the sale of opium with him. You go on to state that you do not have confidence in what Ger Su Yang told your officer and state that Mr. McCoy should not have accepted his word either without any attempt at verification.

1. The author does not base his account (on page 289) of American helicopters flying opium from Long Pot to Long Tieng solely on his interview with Ger Su Yang. The author spoke to many villagers in Long Pot and in neighboring villages who confirmed Ger Su Yang's story. In addition, the author obtained similar information from Ron Rickenback, a former USAID official in Laos, General Ouane Rattikone, and General Thao Ma, a former commander of the Royal Laotian Air Force. More recently, the author has been advised by some British television journalists who have recently returned from the area that these activities are accurately described by him. A former State Department official has also confirmed to the author that his account is correct.

KMT IRREGULARS

1. You state that the author's charge that the "CIA's relationship with the KMT was a key factor in the latter's involvement in the opium trade" is without foundation.

1. We cannot find in the book any statement that the CIA's relationship with the KMT was a "key factor" in the latter's involvement in the opium trade. The author does state (p. 306) that there was a "peculiar symbiosis between opium and espionage" in the activities of the KMT, an inference which we believe is amply supported by the evidence cited.

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Your Comment

Our Response

KMT Irregulars cont.

3. You state that opium production in the areas where the KMT Irregulars located after the fall of China was not, as suggested by the author, started by them but had existed for a long time prior thereto.

Under the circumstances, we do not find such testimony to be incredible or the contacts described insubstantial.

3. We cannot find in the text any assertion to the effect that the KMT Irregulars started opium production in the areas in which they settled after the fall of China. The author does say (pp. 126-7) that the KMT greatly expanded the opium trade in the Shan states, a statement with which you do not appear to disagree.

THE MAFIA

1. You state that Mr. McCoy states that "there has been an association of the U.S. Government, Sicilian and Corsican Mafia types in the past" and that this has "somehow been responsible" for the fact that these types play the role they do in narcotics traffic today.

1. Mr. McCoy does assert that during the War and shortly thereafter the Government associated with the Sicilian and Corsican underworld for reasons having nothing to do with the illegal narcotics traffic. Mr. McCoy clearly regards it as ironic that one result of such associations was a rebirth of these groups and their subsequent involvement in the narcotics trade, but we do not believe it is a fair inference from the book to state that the U.S. Government has "somehow been responsible" for this result simply because it has been such in the narrow causal sense of the words, as to which there can be little dispute.

SUPPORT FOR U.S. NARCOTICS
CONTROL EFFORTS OVERSEAS

1. You cite Mr. McCoy's statement on page 350 that the BNDD's attempts to conduct investigations in Laos were blocked by the Laotian Government, the State Department, and the CIA and quote a statement from the BNDD to the effect that they are "unaware" of any such opposition by the CIA.

1. Mr. McCoy's source for the statement on page 350 is a BNDD agent familiar with the investigations referred to. We have questioned Mr. McCoy about this source and are satisfied that he exists and that he made the statement in question, although Mr. McCoy has requested that he not be identified for his own protection. The statement attributed to this source is not, of course, necessarily inconsistent with the statement that the BNDD in Washington is "unaware" of any opposition by the CIA.

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Your Comment

Support for U.S. Narcotics
Control Efforts Overseas
(continued)

2. You quote the author's statement on page 218 that the CIA avoids gathering information on high-level involvements, even in sessions with high Embassy officials, and discusses only minor pushers and addicts. You state that the assertion is untrue, and criticize Mr. McCoy for having made it on the word of an unnamed Embassy official who may not have had access to the facts.

Our Response

2. The source of the statement on page 218 is a Foreign Service Officer in the U.S. Embassy in Saigon who was interviewed in the presence of a BNDD employee and another Embassy official. Mr. McCoy has disclosed their identities to us but asked that we keep such information confidential in order to protect the individuals involved. We are satisfied that the assertion is amply corroborated in view of the circumstances of the interview.